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MUNICIPAL REGULATION OF RELIGIOUS AND CHARITABLE SOLICITATIONS

What problems are involved in municipal regulation of religious and charitable solicitations? What provisions should be contained in ordinances regulating these activities? How can cities enforce solicitation regulations?

As defined in many city ordinances, the term "public solicitation" means any direct or indirect request for money, credit, property, financial assistance or anything else of value with an appeal that donations will be used for charitable or religious purposes. This includes any oral or written request and any announcements through the press, by radio, television, telephone or telegraph. In addition, a "solicitation" is defined as having taken place when the request is made, whether or not a contribution is received.

Solicitation of contributions for charitable purposes has become big business in the United States within recent years with some authorities placing donations at more than \$4 billion per year, about 2 per cent of the country's gross income. Large charitable organizations operating with boards of directors are the best known, but there are at least 33,000 organizations registered as philanthropic agencies which compete for donations.

In addition, numerous public appeals for donations are made by religious organizations, and all such fund raising campaigns must be considered as a part of the municipal regulatory problem when the appeal is made to the general public as opposed to the solicitation of contributions solely from the members of a religious organization.

There is no question as to the general desirability of religious and charitable fund raising since the vast majority of purposes are worthwhile and the money obtained is normally well used. However, this type of enterprise has unfortunately attracted a number of fraudulent operators and promoters and it is often difficult, if not impossible, for citizens of a community to distinguish legitimate fund raising campaigns from those which border on illegitimacy or which are outright fraudulent promotional schemes.

City officials are expected to screen carefully all groups making public solicitations, not only to protect citizens from unscrupulous persons, but also as a protection to organizations soliciting for worthwhile causes. The injuries to legitimate causes by fraudulent schemes is both direct and indirect. Money that might otherwise go to desirable purposes goes to the undesirable, and potential donors may tend to become suspicious of charitable and religious appeals in general, and reduce or even withhold support of many reputable organizations.

The National Institute of Municipal Law Officers, in its comprehensive legal study of solicitations ordinances and court decisions, summarizes municipal legal authority for such regulation as follows:

(1) Cities may regulate charitable solicitations under their general police powers to prevent frauds and other injuries to citizens.

(2) In regulating charitable solicitations, cities must by ordinance provide adequate and reasonable standards to govern the action of city officials charged with the responsibility of issuing or denying permits for such solicitation.

(3) Solicitation of funds from the general public for religious purposes cannot be regulated in a manner whereby cities impose a "previous restraint" on the exercise of religious freedom by requiring a city official to decide whether a cause is a religious one before issuing a permit to solicit. For this reason, city officials must immediately approve any application which may be submitted by a religious organization requesting permission to make a general public solicitation. Any action to the contrary would put a city official in the untenable position of attempting to distinguish "bona fide" religious undertakings--which would be a clear violation of constitutional guarantees. However, cities can lawfully exercise some element of control over public solicitations by religious organizations by requiring solicitors for religious purposes to register and conform to other regulations designed to prevent and uncover frauds.

It is evident, therefore, that cities are confronted with two separate and distinct types of regulatory problems in dealing with charitable and religious solicitations. This report summarizes the regulatory problems inherent in both types of solicitations, the extent to which cities may legally control such activities, and the specific ordinance provisions which cities may adopt to implement regulatory processes. A religious and charitable solicitation ordinance and application-for-permit form as used in Richmond, Va., are shown in an appendix to this report.

Solicitations for Religious Purposes

Solicitations for religious purposes can normally be "regulated" by the municipality only if such solicitations involve the general public. The Richmond ordinance covers this point by excluding from municipal control all solicitations made by an organization operated exclusively for religious purposes and not for profit when such solicitations are conducted "only among the members thereof by other members or officers thereof, voluntarily and without remuneration . . . , or the solicitations are in the form of collections or contributions at the regular assemblies or services. . ." of the religious organization.

Within certain well-defined limitations, public solicitations by religious organizations can be regulated by the municipality. The following sections discuss these limitations as well as the lawful degree of regulation which can be exercised.

Limitations of regulatory power. In regulating religious fund raising, cities may not make any regulations which will abridge the freedom of religion guarantee in the first and fourteenth amendments to the United States Constitution. The limitation on states and their subdivisions in the field of religious solicitations was stated quite clearly in Cantwell v. State of Connecticut, 310 U. S. 296 (1940), in which the United States Supreme Court invalidated provisions of a Connecticut solicitations statute on the grounds that it infringed the freedom of religion guarantee.

The statute provided that anyone soliciting for ". . . any alleged religious, charitable or philanthropic cause. . ." had to be approved by the secretary of the

public welfare council who was to". . . determine whether such cause is a religious one or is a bona fide object of charity or philanthropy and conforms to the reasonable standards of efficiency and integrity. . ." The court reasoned that if the secretary felt that a particular cause was not a religious one and denied a permit to solicit for the cause, a person soliciting for it would then be guilty of a crime for exercising his religious freedom. Thus, denial of the permit by the secretary was held to be a restraint on the exercise of religious freedom.

City officials, therefore, do not have and cannot be given the power to decide whether a proposed religious solicitation is worthy of public fund raising or to deny an organization the right to solicit funds for religious purposes. This means that city officials must issue solicitation permits for all religious fund raising campaigns upon receipt of a duly certified application form from the organization desiring to make the solicitation.

Regulatory powers of cities. In Cantwell v. State of Connecticut, the supreme court said that cities may not enact regulations for religious solicitations that would be a "previous restraint" on the exercise of freedom of religion, but at the same time the court indicated that not all regulation of religious solicitations should be considered invalid. The court said:

"The general regulation, in the public interest, of solicitation, which does not involve any religious test, and does not unreasonably obstruct or delay the collection of funds, is not open to any constitutional objection, even though the collection be for a religious purpose. Such regulation would not constitute a prohibited previous restraint on the free exercise of religion or interpose an inadmissible obstacle to its exercise."

"Nothing we have said is intended even remotely to imply that under the cloak of religion, persons may with impunity commit frauds upon the public. Certainly penal laws are available to punish such conduct. Even the exercise of religion may be at some slight inconvenience in order that the state may protect its citizens from injury. Without doubt a state may protect its citizens from fraudulent solicitations by requiring a stranger in the community before permitting him publicly to solicit funds for any purpose, to establish his identity and his authority to act for the cause which he purports to represent. The state is likewise free to regulate the time and manner of solicitation generally, in the interest of public safety, peace, comfort or convenience."

Cities then can legally require religious solicitors to register and provide information concerning the nature of the solicitation. This brings the solicitation into the light of public scrutiny and provides the opportunity for an investigation to be made to determine whether or not any fraud is involved. At the same time, charges of unduly restraining religious freedom are avoided.

The Richmond ordinance requires all persons who wish to solicit publicly for a religious purpose to register with the director of public welfare and to obtain a certificate authorizing the solicitations. Applicants are required to furnish the following information on a sworn statement: (1) a financial statement for the preceding fiscal year; (2) a statement of the general character and extent of the work being done and to be done by the applicant both inside and outside of the city; (3) a guarantee that the certificate will not be used in any way as an endorsement by the city or city officials; (4) a statement to the effect that persons under the age of 16 will not solicit money; and (5) such other information as may be

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required by the director so that he may determine the kind and character of the proposed solicitations.

The Richmond ordinance requires the public welfare director, who administers the ordinance, to "forthwith issue to the applicant a certificate of registration". This is a key provision because it allays any charge that the city is exercising control over the freedom of religion.

The certificate of registration remains in force for one year but it must be renewed for another year if the soliciting organization requests such renewal. Certificates of registration bear the name and address of the person by whom the solicitation is to be made, the number of the certificate, the date issued, and a statement that the certificate does not constitute an endorsement by the city of either the purpose of the solicitation or of the person conducting the solicitation.

The Richmond ordinance authorizes the welfare director to investigate the affairs of any person soliciting for religious purposes under the certificate issued by the city and it also authorizes investigation of the affairs of any religious solicitor who has claimed that his activities are exempted from municipal regulation under the terms of the ordinance. All such organizations may be required to make available all books, records or other information necessary for the director to make a complete analysis.

The ordinance gives the welfare director authority to report his findings to the public in order that the public can be fully informed about the affairs of an organization. The ordinance provides, however, that five days before releasing a public report the director must send a copy to the organization and allow it to file a written statement to be released to the public at the same time with the director's report.

The Richmond ordinance differs from those in many cities in that it does not require religious solicitors and their agents to obtain individual credentials for the purposes of identifying them during the course of their solicitation activities. Many cities, however, do require individuals soliciting for religious purposes to obtain such credentials. Credentials generally include the name of the permit holder, a statement describing the charitable, religious or philanthropic activity conducted by the permittee, a description of the purpose of the solicitation, signature of the permit holder's chief executive officer, the period of the solicitation, and the name, address, age, sex and signature of the individual solicitor. This enables citizens to determine whether a person requesting a donation is an authorized agent of an organization registered to solicit.

Enforcement. The limitations on cities' authority to regulate religious solicitations severely handicap the development of an effective enforcement program designed to protect the public against frauds committed by persons making solicitations under the guise of religion. City officials must use the somewhat limited authority which can be legally inserted in the ordinance, i.e., requiring registration and complete information about the financial affairs and activities of the organization, conducting a complete investigation if warranted, and requiring credentials for individual solicitors.

The registration and investigation procedure enable the city to obtain information about organizations suspected of committing fraud under the cloak of religion. Such information is useful in the event that fraud is in fact discovered and the organization is prosecuted. Whether or not an organization's activities are actually fraudulent is a decision which in the final analysis can only be made by the court.

The use of credentials to identify individual solicitors provides a means to prevent unauthorized persons from carrying on soliciting activities. Citizens should be informed that all individual solicitors must have proper credentials and request such credentials when approached by a solicitor. If citizens report unauthorized solicitors to the police, the penalties provided in the ordinance for misrepresentation and misstatement can then be invoked.

Charitable Solicitations

The word "charitable" is defined in the Richmond ordinance to include "philanthropic, social services or welfare, either actual or purported". The ordinances in some other cities and the "model" ordinance of the National Institute of Municipal Law Officers define the term in greater detail so as to include "patriotic, philanthropic, social service, welfare, benevolent, educational, civic, or fraternal, either actual or purported."

Municipal regulation of charitable solicitations is not new, but it is a problem with which more and more cities are becoming increasingly concerned. This concern stems from that fact that charitable solicitations are big business, that worthwhile charities are important to the community welfare and that charity "rackets" are increasing in magnitude to the detriment of both the general public and the legitimate fund raising organizations.

Fraudulent fund raisers may be characterized by one or more illegitimate or unethical practices: (1) misrepresentation of the organization's activities and the purpose of the solicitation; (2) fraudulent claiming that prominent citizens are sponsoring the solicitation, and claims of endorsement by the city or by city officials; (3) inadequate record keeping which lends itself to fraud and inefficiency; (4) fronting for commercial enterprises with professional promoters raking off a high percentage of the solicitation receipts on a fee or cost-plus basis; and (5) use of inherently expensive promotional techniques resulting in high over-head costs.

An investigation by a New York state legislative committee in 1953-1954 revealed that between \$20 and \$25 million of charitable contributions collected in the state (about 3 per cent) went to outright charity rackets. The committee also found that many charitable organizations had very high fund raising and administrative costs which resulted from inefficiency or fraudulent practices. For example, a foundation for aid to the blind had overhead expenses of 59 per cent of funds collected, a cancer hospital group of 69 per cent, a veterans' service group of 79 per cent and a youth foundation of 84 per cent.

Unofficial Citizen Action. In many cities unofficial voluntary agencies are organized to keep the public informed about the merits of philanthropic appeals and the ethics of various fund raisers. Such screening activities may be limited to a particular community or may be integrated with a nationwide program. The agency may exist solely for the purpose of preventing abuses and rackets or it may deal with such problems as part of a more general program. The weakness of such agencies is their lack of authority to compel disclosures from organizations making charitable appeals on the use of funds collected.

Better Business Bureaus, Chambers of Commerce and public solicitation commissions in many cities have effectively informed citizens about the activities and practices of various charitable solicitations. Better Business Bureaus, because of their interest in the community's economic welfare, often are able to assist city

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officials in obtaining information about organizations soliciting in the community for the first time. In many cities Better Business Bureaus issue monthly bulletins which contain financial information and other pertinent data about organizations conducting charitable solicitations.

Charitable organizations themselves are concerned about the practices of fraudulent promoters and some organizations are attempting to establish standards of conduct for solicitation campaigns. In July 1953, the American Association of Workers for the Blind adopted a "seal of good practice" for use by all agencies for the blind that adhere to association standards. The first National Solicitations Conference held in April 1954 took preliminary measures to create a permanent organization to handle problems created by fund drives.

One method of unofficial action which has helped to restrain unethical or fraudulent charitable campaigning in many cities has been the Community Chest or United Fund drive in which local voluntary agencies cooperate in a consolidated annual fund raising campaign. The participating agencies pool campaign efforts and share collections in order to eliminate multiple separate appeals and the wasteful use of funds caused by duplicate appeals. This method permits some evaluation of the relative merits of different causes. Organizations which do not conform to agreed upon policies are not allowed to share in the collections.

Municipal Regulation. The courts have consistently upheld the right of cities to regulate charitable solicitations under the police power as a protection to citizens against possible fraud. A city can properly require a charitable organization to apply for a solicitation permit and to furnish any information needed as a basis for issuing or denying a permit. The right to deny a request for a permit to make a charitable solicitation enables cities to establish more stringent regulations for charitable solicitations than for religious solicitations. However, the ordinance must establish definite standards to guide city officials in deciding whether or not to issue a permit, based on the information provided by the applicant.

Section C of the Richmond ordinance sets forth the information that the applicant is required to furnish the city, which with one exception is the same as required for religious solicitations. The exception provides that the applicant for a charitable solicitations permit must state that the cost of the proposed solicitation will not exceed 25 per cent of the total amount of funds to be raised, or if the cost is expected to exceed that amount, the applicant must estimate the total cost and explain in detail the reasons why the costs will exceed the 25 per cent limit. This information is the basis of one of the standards established as a guide for the city officials in granting or denying a permit to solicit.

Furthermore, the ordinance specifies that the application for a charitable solicitations permit must be filed with the director of welfare at least fifteen days prior to the effective date of the permit applied for. No similar time delay can be applied to a religious solicitation, the director being required to issue "forthwith" a religious solicitation permit.

Other good features established in the Richmond ordinance for the control of charitable solicitations are: requiring a financial statement for the preceding year, showing total collections, costs of collections and disposition of funds; requiring the applicant to make all books and records available to the welfare director on request; requiring all organizations making solicitations to maintain accounting records showing donations and disbursements of funds; and requiring a final report and financial statement within 60 days after a solicitation is completed.

The control features of the regulations provide the city with complete and certified data concerning the organization's solicitation activities. In addition to providing information necessary to approve or disapprove an application to solicit, the certified statement requires the applicant to observe certain specified standards for conducting a public charitable solicitation. The certified statement provides the basis for invoking the penalties provided in the ordinance if the specified standards are not followed.

Comprehensive standards to guide the director's action in issuing or denying a solicitation permit are included in Section E of the Richmond ordinance. These or similar standards must be included in city ordinances due to the requirements of court decisions. A case in point is Hoyt Bros., Inc. v. City of Grand Rapids, 245 N.W. 509 (1932), in which the Michigan state supreme court invalidated a charitable solicitations ordinance giving the city manager authority to issue or deny solicitation permits, but which contained no standards to guide his action. The court said in part: "The ordinance contains no rule or provision by which the city manager is to determine whether the charity is worthy or the applicant fit and responsible. . . It is requisite to the validity of the ordinance that it should state a standard for the guidance of the official who passes upon the application for the permit."

As in the case of religious solicitations, the Richmond ordinance does not require individual solicitors to obtain credentials. But many cities do require such credentials in order to prevent soliciting by unauthorized persons. This is a protection to both the citizens of the community and organizations conducting solicitation.

As previously indicated, the Richmond ordinance is administered by the public welfare director. Since the solicitations ordinance is enacted under the police power, cities not having a welfare director may wish to assign the responsibility to the police chief. Another arrangement might well be to have the chief administrator administer the ordinance with the aid of the city clerk or the police chief. In actual practice, cities have placed this responsibility with a wide variety of officials, including city managers, police chiefs, welfare directors, city clerks, city commissions, city councils, social welfare and social service departments, and various committees.

Administratively it is better that one city official be charged with administering the ordinance rather than assign it to the legislative body or a committee of several persons. The enforcement of the ordinance is definitely an administrative function and it is axiomatic that committees do not perform administrative actions as efficiently as a single official charged with the responsibility.

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ORDINANCE REGULATING SOLICITATIONS FOR CHARITABLE AND RELIGIOUS PURPOSES
WITH APPLICATION FORM USED IN RICHMOND, VIRGINIA
ADOPTED AUGUST 9, 1954

A. Definitions. Whenever used in this section unless a different meaning clearly appears from the context:

1. "Solicit" and "solicitation" shall mean the request directly or indirectly of money, credit, property, financial assistance, or other thing of value on the plea or representation that such money, credit, property, financial assistance, or other thing of value will be used for a charitable or religious purpose as those purposes are defined in this section. These words shall also mean and include the following methods of securing such money, credit, property, financial assistance or other thing of value: (a) Any oral or written request; (b) The making of any announcement to the press, over the radio, by television, by telephone or telegraph concerning an appeal or campaign to which the public is requested to make a contribution for any charitable or religious purpose connected therewith.

2. "Solicitation" as defined herein shall be deemed to have taken place when the request is made, whether or not the person making the same receives any contribution referred to in this section.

3. "Charitable" shall include the words philanthropic, social services or welfare, either actual or purported.

4. "Religious" and "religion" as used herein shall not mean and include the word "charitable" as herein defined, but shall be given their commonly accepted definitions.

5. "Contributions" shall mean and include the words alms, food, clothing, money, property, subscription or pledge, and also donations under the guise of loans of money, or property.

6. "Person" shall mean any individual, firm, co-partnership, corporation, company, association, or joint stock association, church, religious sect, religious denomination, society, organization or league, and includes any trustee, receiver, assignee, agent, or other similar representative thereof.

7. "Promoter" shall mean any person who promotes, manages, supervises, organizes, or attempts to promote, manage, supervise, or organize a campaign of solicitation.

8. "Director" shall mean the director of public welfare.

CHARITABLE SOLICITATIONS

B. Charitable solicitations permit required -- exemptions. No person shall solicit contributions for any charitable purpose within the city of Richmond without a permit from the director authorizing such solicitation.

Provided, however, that the provisions of this subsection shall not apply to any established person organized and operated wholly or partially for religious or charitable purposes and not operated for the pecuniary profit of any person if the solicitations by such established person are conducted only among the members thereof by other members or officers thereof, voluntarily and without remuneration for making such solicitations, or if the solicitations are in the form of collections or contributions at the regular assemblies or services of any such established person.

Provided, further, that when a permit has been issued to any person as defined in subsection A of this section, other than an individual, then the individual agents and solicitors for such person shall not be required to obtain individual permits.

C. Application for Charitable Solicitations Permit. An application for a permit to solicit as provided by subsection B of this section shall be made to the director upon forms prescribed by him. Such application shall be sworn to or affirmed and filed with the director at least fifteen days prior to the time at which the permit applied for shall become effective; Provided, however, that the director may for good cause shown allow the filing of an application less than fifteen days prior to the effective date of the permit applied for. The application herein required shall contain the following information, or in lieu thereof, a statement satisfactory to the Director of the reason or reasons why such information or any item thereof is not furnished.

1. A financial statement for the last preceding fiscal year of any funds collected for charitable purposes by the applicant, said statement giving the amount of money so raised, together with the cost of raising it, and final distribution thereof;

2. A full statement of the general character and extent of the charitable work being done or to be done by the applicant, and showing how much thereof is being done or to be done within the city;

3. A statement that the actual cost of the solicitation will not exceed twenty-five per centum (25%) of the total amount to be raised, or, if the cost of solicitation is expected to exceed twenty-five per centum (25%), a statement of what the maximum cost is expected to be, together with a statement of any special facts tending to show that there are peculiar reasons which make a cost higher than twenty-five per centum (25%) reasonable in the particular case.

4. A statement to the effect that if a permit is granted, it will not be used or represented in any way as an endorsement by the city of Richmond, or by any department or officer thereof.

5. A statement to the effect that if a permit is granted, no person under the age of sixteen will be permitted to solicit money;

6. Such other information as may be reasonably required by the director in order for him to determine the kind and character and method of the proposed solicitation, when it will take place and for what period of time, and whether such solicitation is in the interest of, and not inimical to, the safety, convenience or welfare of the inhabitants of the city.

If, while any application is pending, or during the term of any permit granted thereon, there is any change in fact, policy, or method that would alter the information given in the application, the applicant shall notify the director in writing thereof within twenty-four hours after such change.

D. Investigation by the Director of Charitable Solicitation Permit Applications. The director shall examine all applications filed under subsection C of this section

and shall make, or cause to be made, such further investigation of the application and the applicant as the director shall deem necessary in order for him to perform his duties under this chapter. Upon request by the director, the applicant shall make available for inspection by the director, or any person designated in writing by the director as his representative for such purpose, all of the applicant's books, records and papers at any reasonable time before the application is granted, during the time a permit is in effect, or after a permit has expired.

E. Standards for Director's Action in Granting or Denying Applications for Charitable Solicitation Permits. The director shall issue the permit provided for in subsection B hereof whenever he shall find the following facts to exist:

1. That all of the statements made in the application are true;
2. That the applicant, or if the applicant is not an individual person that its managing officers and managing agents be of good character and reputation for honesty and integrity;
3. That the control and supervision of the solicitation will be under responsible and reliable persons;
4. That the applicant has not engaged in any fraudulent transaction or enterprise;
5. That the solicitation will not be a fraud on the public;
6. That the solicitation is prompted solely by a desire to finance the charitable cause described in the application, and will not be conducted primarily for private profit;
7. That the cost of raising the funds will be reasonable. Any such cost in excess of twenty-five per centum (25%) of the amount collected shall be considered to be unreasonable unless special facts are presented showing to the satisfaction of the director that peculiar reasons make a cost higher than twenty-five per centum (25%) reasonable in the particular case.
8. That the kind, character and method of the proposed solicitation, the time when it will take place, and its duration, are such that the solicitation will be in the interest of and not inimical to the safety, convenience or welfare of the inhabitants of the city.

The director shall file in his office for public inspection a written statement of his findings of fact and his decisions upon each application. If the application is denied, the director shall notify the applicant by registered mail, at the address given in the application, stating the reasons therefor.

F. Charitable Solicitations Permit - Form of - Granting is not Endorsement By City - Time Limit On. Permits issued under this section shall bear the name and address of the person to whom the permit is issued, the number of the permit, the date issued, the dates within which the permit holder may solicit, and a statement that the permit does not constitute an endorsement by the city of Richmond or by any of its departments, officers or employees of the purpose or of the person conducting the solicitation. All permits must be signed by the director. The director may by permit grant the right to solicit on one or more single, non-consecutive days in any calendar year, and may grant the right to solicit for any number of consecutive days not to exceed one year from the date of the permit. Upon the expiration of any permit of the kind last mentioned, and if requested in writing so to do, the director may renew the

permit, if he is satisfied that the requirements of this section are still being met, and that no violation of this section has been committed. He may in his discretion require a new application, and his action upon such new application shall be governed by the same standards as to granting or withholding the permit as in the case of an original application. No new permit, or renewal of an original permit, shall be issued for more than one year.

G. Permit Non-transferable. Any permit issued under this section shall be non-transferable.

H. Revocation of Permits - Hearing - Decision. Whenever it shall be shown or whenever the director has reason to believe that any person to whom a permit has been issued under this section has violated any of the provisions of this section, or that any promoter, agent or solicitor of a permit holder has misrepresented the purpose of the solicitation, the director shall immediately suspend the permit and give the permit holder written notice in person or registered, special delivery mail of the suspension and of a hearing to be held within two (2) days of such suspension to determine whether or not the permit should be revoked. This notice must contain a statement of the facts upon which the director has acted in suspending the permit. At the hearing the permit holder, and any other interested person, shall have the right to present evidence as to the facts upon which the director based the suspension of the permit, and any other facts which may aid the director in determining whether this section has been violated and whether the purpose of the solicitation has been misrepresented. If, after such hearing, the director finds that the section has been violated, or the purpose of the solicitation has been misrepresented, he shall within two (2) days after the hearing file in his office for public inspection and send to the permit holder by registered mail, or serve upon him in any manner provided by general law for the service of notices, a written statement of the facts upon which he bases such a finding and shall immediately revoke the permit. If, after such hearing the director finds that this section has not been violated and the purpose of the solicitation has not been misrepresented, he shall within two (2) days after the hearing give to the permit holder a written statement cancelling the suspension of the permit and stating that no violation or misrepresentation was found to have been committed.

I. Notice of Suspension or Revocation of Permit to Chief of Police. The Chief of Police shall be notified forthwith by the director of the suspension or revocation of any permit issued under this section.

J. Books and Records of Permit Holders. No person shall solicit any contributions for any charitable purpose without maintaining a system of accounting whereby all donations to it and all disbursements are entered upon the books or records of such person's treasurer or other financial officer.

K. Report Required From Permit Holder. It shall be the duty of all persons issued permits under this section to furnish to the director within sixty (60) days after the solicitation has been completed, a detailed report and financial statement showing the amount raised by the solicitation, the amount expended in collecting such funds, including a detailed report of the wages, fees, commissions, and expenses paid to any person in connection with such solicitation, and the disposition of the balance of the funds collected by the solicitation. This report shall be available for public inspection at the director's office. The permit holder shall make available to the director, or to any person designated in writing by the director as his representative for such purpose, all books, records and papers whereby the accuracy of such report may be checked.

RELIGIOUS SOLICITATIONS

L. Religious Solicitations - Certificate Required - Exemptions. No person shall solicit contributions for any religious purpose within the city of Richmond without a certificate from the director authorizing such solicitation.

Provided, however, that the provisions of this subsection shall not apply to any established person organized and operated exclusively for religious purposes and not operated for the pecuniary benefit of any person if the solicitations by such established person are conducted only among the members thereof by other members or officers thereof, voluntarily and without remuneration for making such solicitations, or the solicitations are in the form of collections or contributions at the regular assemblies or services of any such established person.

Provided, further, that when a certificate has been issued to any person as defined in subsection A of this section, other than an individual, then the individual agents and solicitors for such person shall not be required to obtain individual certificates.

M. Application for Religious Solicitations Certificate. An application for a certificate to solicit as provided by subsection M of this section shall be made to the director upon forms prescribed by him. Such application shall be sworn to, or affirmed, and shall contain the following information, or in lieu thereof, a statement satisfactory to the Director of the reason or reasons why such information or any item thereof is not furnished.

1. A financial statement for the last preceding fiscal year of any funds collected for religious purposes by the applicant, said statement giving the amount of money so raised, together with the cost of raising it, and final distribution thereof;

2. A full statement of the general character and extent of the religious work being done or to be done by the applicant, and also the character and extent of such work being done or to be done within the city of Richmond;

3. A statement to the effect that if a certificate is granted, it will not be used or represented in any way as an endorsement by the city of Richmond, or by any department or officer thereof;

4. A statement to the effect that if a certificate is granted, no person under the age of sixteen will be permitted to solicit money;

5. Such other information as may be submitted to the director in order for him to determine the kind and character of the proposed solicitation.

If, while any application is pending, or during the term of any certificate granted thereon, there is any change in fact, policy, or method that would alter the information given in the application, the applicant shall notify the director in writing thereof within twenty-four hours after such change.

Upon receipt of such application, the director shall forthwith issue to the applicant a certificate of registration. The certificate shall remain in force and effect for a period of one year after the issuance thereof, and shall be renewed upon the expiration of this period upon the filing of a request in writing, but the director may require a new application. Certificates of registration shall bear the name and address of the person by whom the solicitation is to be made, the number of the certificate, the date issued, and a statement that the certificate does not constitute an endorsement by the city of Richmond, or by any of its departments or officers, of the purpose of the solicitation or of the person conducting the solicitation.

N. Investigation of Affairs of Persons Soliciting for Religious Purposes and Persons Exempt from Permit and Certificate Requirements - Publication of Findings. The director is authorized to investigate the affairs of any person soliciting for religious purposes under a certificate issued under subsection M, and the affairs of any person exempted from the requirement of a permit under subsection B or exempted from the requirement of a certificate under subsection M and make public his written findings in order that the public may be fully informed as to the affairs of any of said persons. Said persons shall make available to the director, or to any representative designated by the director in writing for such specific purpose, all books, records, or other information reasonably necessary to enable the director to fully and fairly inform the public of all facts necessary to a full understanding by the public of the work and methods of operation of such persons. Provided, that five (5) days before the public release of any findings under this subsection, the director must first serve a copy of said findings upon the person investigated and at the time of the release of his findings he must release a copy of any written statement said person may file with the director in explanation, denial, or confirmation of said findings.

PROHIBITIONS, PENALTIES AND SEVERABILITY

O. Use of Fictitious Name - Fraudulent Misrepresentation and Misstatements Prohibited. No person shall directly or indirectly solicit contributions for any purpose by misrepresentation of his name, occupation, financial condition, social condition or residence, and no person shall make or perpetrate any other misstatement, deception or fraud in connection with any solicitation of any contribution for any purpose in the city of Richmond, or in any application or report filed under this section.

P. Penalties. Any person violating any of the provisions of this section or filing or causing to be filed an application for a permit or certificate under this section containing false or fraudulent statements shall upon conviction thereof be subject to a fine of not more than \$1,000.00 or imprisonment in jail not exceeding twelve months, either or both. If the violation charged be soliciting contributions for any charitable purpose without a permit, or soliciting contributions for any religious purpose without a certificate, each such act of solicitation shall constitute a separate offense.

Q. Repeal of Conflicting Ordinances. All ordinances or parts of ordinances in conflict with the provisions of this section be and the same are hereby repealed.

R. Severability Provisions - Constitutionality. If any part or parts, subsection, sentence, clause or phrase of this section is for any reason declared unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of this section, which shall remain standing as if this section had been passed with the unconstitutional or invalid part or parts, subsection sentence, clause or phrase thereof eliminated; and the Council of the city of Richmond hereby declares that it would have passed this section if such unconstitutional or invalid part or parts, subsection, sentence, clause or phrase had not been included therein.

CITY OF RICHMOND, VIRGINIA
APPLICATION FORM FOR CHARITABLE AND RELIGIOUS SOLICITATIONS PERMITS

1. Name of person or organization _____

Address or headquarters of applicant _____ Telephone _____

2. Names of applicant's principal officers and executive (if any):

President _____ Address _____

Vice-President _____ Address _____

Secretary _____ Address _____

Executive _____ Address _____

3. The purpose for which the solicitation is to be made is the following: _____

(Attach a statement if more space is needed.)

4. The total estimated amount of funds to be raised is _____

5. The need for the contributions to be solicited is as follows: _____

6. The following persons will be in direct charge of conducting the solicitation:

Name

Title

Address

Business
Telephone

7. The method or methods to be used in conducting the solicitations are as follows: _____

(Explain on attached statement if necessary)

8. The proposed dates for the beginning and ending of the solicitations are:

Date begin _____, 19 ____ through _____, 19 ____

9. The estimated total cost of the entire solicitation campaign is _____

(include all costs such as mailing, advertising, printing, fees, commissions, expense allowances, etc.)

10. Have you attached a financial statement for the last preceding fiscal year of all funds collected for charitable purposes by the applicant, giving the amount of money raised, together with the cost of raising it and the final distribution thereof? _____ If answer is "No", give date when this statement will be submitted.

11. A full statement of the general character and extent of the charitable or religious work being done by the applicant and also the character and extent of such work being done or to be done within the City of Richmond is as follows: _____

(Explain on attached statement if more space is needed)

12. Will the actual cost of the solicitation exceed 25 per centum of the total amount to be raised? _____
If answer is "Yes", attach information to justify such costs.
13. Does applicant certify that if a permit is granted, it will not be used or represented in any way as an endorsement of the City of Richmond or by any department or officer thereof? _____
14. Does the applicant certify that if a permit is granted, no children under sixteen years of age will be permitted to solicit money? _____
15. Does the applicant agree to furnish to the Director of Public Welfare within sixty (60) days after the solicitation has been completed, a report and financial statement showing the amount raised by the solicitation, the amount expended in collecting such funds, including a detailed report of the wages, fees, commissions, and expenses paid to any person in connection with such solicitation, and the disposition of the balance of the funds collected by this solicitation? _____

All of the above statements are true to the best of my knowledge, information and belief. All questions have been answered.

Signed by:

Name

Title

Address

Subscribed and sworn to before me, this the _____ day of _____, 19____.

Notary Public

My Commission expires _____, 19____.

In accordance with Section 7E of Chapter 29 of the Richmond City Code, I hereby ^{deny}_{approve} this application for solicitation.

Date: _____, 19____.

Director of Public Welfare

Permit)
Certificate) No. _____ issued _____, 19____.